

Form **990**Department of the Treasury  
Internal Revenue Service**Return of Organization Exempt From Income Tax**

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

▶ The organization may have to use a copy of this return to satisfy state reporting requirements

OMB No 1545-0047

**2002**Open to Public  
Inspection**A** For the **2002** calendar year, or tax year period beginning and ending

<b>B</b> Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	<b>C</b> Name of organization <b>ATLANTIC LEGAL FOUNDATION</b> Number and street (or P O box if mail is not delivered to street address) Room/suite <b>150 EAST 42ND STREET, 2ND FLOOR</b> City or town, state or country, and ZIP + 4 <b>NEW YORK, NY 10017</b>	<b>D</b> Employer identification number <b>23-2022920</b>
		<b>E</b> Telephone number <b>(212) 573-1960</b>
		<b>F</b> Accounting method: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual Other (specify) ▶
		<b>Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ)</b> <b>H and I are not applicable to section 527 organizations</b> <b>H(a)</b> Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <b>H(b)</b> If "Yes," enter number of affiliates ▶ <b>H(c)</b> Are all affiliates included? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (If "No," attach a list) <b>H(d)</b> Is this a separate return filed by an organization covered by a group ruling? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <b>I</b> Enter 4-digit GEN ▶

**G** Web site ▶ **WWW.ATLANTICLEGAL.ORG****J** Organization type (check only one) ☒ 501(c) ( 3 ) (insert no) ☐ 4947(a)(1) or ☐ 527**K** Check here ☐ if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS, but if the organization received a Form 990 Package in the mail, it should file a return without financial data. **Some states require a complete return****L** Gross receipts Add lines 6b, 8b, 9b, and 10b to line 12 ▶ **578,811.****Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances**

<b>Revenue</b>	<b>1</b> Contributions, gifts, grants, and similar amounts received			
	<b>a</b> Direct public support	<b>1a</b>	<b>477,358.</b>	
	<b>b</b> Indirect public support	<b>1b</b>		
	<b>c</b> Government contributions (grants)	<b>1c</b>		
	<b>d</b> Total (add lines 1a through 1c) (cash \$ <b>477,358.</b> noncash \$ )			<b>1d 477,358.</b>
	<b>2</b> Program service revenue including government fees and contracts (from Part VII, line 93)			<b>2</b>
	<b>3</b> Membership dues and assessments			<b>3</b>
	<b>4</b> Interest on savings and temporary cash investments			<b>4 453.</b>
	<b>5</b> Dividends and interest from securities			<b>5</b>
	<b>6 a</b> Gross rents	<b>6a</b>		
	<b>b</b> Less rental expenses	<b>6b</b>		
	<b>c</b> Net rental income or (loss) (subtract line 6b from line 6a)			<b>6c</b>
<b>7</b> Other investment income (describe ▶ )			<b>7</b>	
<b>Expenses</b>	<b>8 a</b> Gross amount from sale of assets other than inventory	(A) Securities	(B) Other	
	<b>b</b> Less cost or other basis and sales expenses	<b>8a</b>		
	<b>c</b> Gain or (loss) (attach schedule)	<b>8b</b>		
	<b>d</b> Net gain or (loss) (combine line 8c, columns (A) and (B))	<b>8c</b>		
	<b>9</b> Special events and activities (attach schedule)			<b>8d</b>
	<b>a</b> Gross revenue (not including \$ <b>0.</b> of contributions reported on line 1a)	<b>9a</b>	<b>101,000.</b>	
	<b>b</b> Less direct expenses other than fundraising expenses	<b>9b</b>	<b>44,440.</b>	
	<b>c</b> Net income or (loss) from special events (subtract line 9b from line 9a)			<b>9c 56,560.</b>
	<b>10 a</b> Gross sales of inventory, less returns and allowances	<b>10a</b>		
	<b>b</b> Less cost of goods sold	<b>10b</b>		
	<b>c</b> Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)			<b>10c</b>
	<b>11</b> Other revenue (from Part VII, line 103)			<b>11 534,371.</b>
<b>12</b> Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)			<b>12 326,630.</b>	
<b>Net Assets</b>	<b>13</b> Program services (from line 44, column (B))			<b>13 93,950.</b>
	<b>14</b> Management and general (from line 44, column (C))			<b>14 71,768.</b>
	<b>15</b> Fundraising (from line 44, column (D))			<b>15</b>
	<b>16</b> Payments to affiliates (attach schedule)			<b>16</b>
	<b>17</b> Total expenses (add lines 16 and 44, column (A))			<b>17 492,348.</b>
<b>18</b> Excess or (deficit) for the year (subtract line 17 from line 12)			<b>18 42,023.</b>	
<b>19</b> Net assets or fund balances at beginning of year (from line 73 column (A))			<b>19 82,982.</b>	
<b>20</b> Other changes in net assets or fund balances (attach explanation)			<b>20 0.</b>	
<b>21</b> Net assets or fund balances at end of year (combine lines 18, 19 and 20)			<b>21 125,005.</b>	

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LHA For Paperwork Reduction Act Notice, see the separate instructions

Form 990 (2002)

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**Part II Statement of Functional Expenses**

All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others

Page 2

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22	Grants and allocations (attach schedule)				
	cash \$ _____ noncash \$ _____	22			
23	Specific assistance to individuals (attach schedule)	23			
24	Benefits paid to or for members (attach schedule)	24			
25	Compensation of officers, directors, etc	25	248,031.	186,023.	29,764.
26	Other salaries and wages	26	42,171.	31,628.	5,061.
27	Pension plan contributions	27	69,967.	52,475.	8,396.
28	Other employee benefits	28			
29	Payroll taxes	29	22,021.	16,516.	2,642.
30	Professional fundraising fees	30			
31	Accounting fees	31	10,400.	10,400.	
32	Legal fees	32	10,967.	10,967.	
33	Supplies	33	2,429.	1,822.	291.
34	Telephone	34	1,948.	1,461.	234.
35	Postage and shipping	35	5,778.	181.	3,632.
36	Occupancy	36	3,405.	2,553.	409.
37	Equipment rental and maintenance	37	5,542.	4,157.	665.
38	Printing and publications	38	11,438.	1,408.	3,990.
39	Travel	39	9,301.	3,635.	4,993.
40	Conferences, conventions, and meetings	40	14,670.	1,744.	10,394.
41	Interest	41			
42	Depreciation, depletion, etc (attach schedule)	42	1,259.	1,259.	
43	Other expenses not covered above (itemize)				
a	INSURANCE	43a	11,145.	10,157.	988.
b	SUBSCRIPTIONS	43b	2,047.	1,655.	324.
c	MISCELLANEOUS	43c	8,801.	248.	2,855.
d	OTHER PROFESSIONAL	43d			
e	SERVICES	43e	11,028.		7,653.
44	Total functional expenses (add lines 22 through 43) Organizations completing columns (B)-(D) carry these totals to lines 13-15	44	492,348.	326,630.	93,950.

Joint Costs Check ☐ if you are following SOP 98-2Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? ☐ Yes ☒ No

If "Yes," enter (i) the aggregate amount of these joint costs \$ \_\_\_\_\_ (ii) the amount allocated to Program services \$ \_\_\_\_\_

(iii) the amount allocated to Management and general \$ \_\_\_\_\_, and (iv) the amount allocated to Fundraising \$ \_\_\_\_\_

**Part III Statement of Program Service Accomplishments**What is the organization's primary exempt purpose? **PUBLIC INTEREST LAW FIRM**

All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)

Program Service Expenses  
(Required for 501(c)(3) and (4) orgs. and 4947(a)(1) trusts but optional for others)

a	SEE ATTACHED STATEMENT 4 - SUMMARY OF 2002 CASES		
	(Grants and allocations \$ _____)		326,630.
b	DONATED SERVICES INCLUDE RENT AND ACCOUNTING SERVICES TOTALING \$39,738 AND \$2,400 RESPECTIVELY		
	(Grants and allocations \$ _____)		
c			
	(Grants and allocations \$ _____)		
d			
	(Grants and allocations \$ _____)		
e	Other program services (attach schedule)		
f	Total of Program Service Expenses (should equal line 44 column (B), Program services)		326,630.

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**Part IV Balance Sheets**

**Note** Where required, attached schedules and amounts within the description column should be for end-of-year amounts only

		(A) Beginning of year		(B) End of year
<b>Assets</b>	45 Cash - non-interest-bearing	69,084.	45	35,201.
	46 Savings and temporary cash investments	19,004.	46	57,464.
	47 a Accounts receivable	47a		
	b Less allowance for doubtful accounts	47b	47c	
	48 a Pledges receivable	48a	17,700.	
	b Less allowance for doubtful accounts	48b	450.	48c
	49 Grants receivable		49	17,700.
	50 Receivables from officers, directors, trustees, and key employees		50	
	51 a Other notes and loans receivable	51a		
	b Less allowance for doubtful accounts	51b	51c	
	52 Inventories for sale or use		52	
	53 Prepaid expenses and deferred charges	10,111.	53	41,582.
	54 Investments - securities	► <input type="checkbox"/> Cost <input type="checkbox"/> FMV	54	
	55 a Investments - land, buildings, and equipment basis	55a		
	b Less accumulated depreciation	55b	55c	
56 Investments - other		56		
57 a Land, buildings, and equipment basis	57a	45,557.		
b Less accumulated depreciation STMT 2	57b	43,956.	57c	
58 Other assets (describe ► )		58	1,601.	
59 <b>Total assets</b> (add lines 45 through 58) (must equal line 74)	101,509.	59	153,548.	
<b>Liabilities</b>	60 Accounts payable and accrued expenses	18,527.	60	28,543.
	61 Grants payable		61	
	62 Deferred revenue		62	
	63 Loans from officers, directors, trustees, and key employees		63	
	64 a Tax-exempt bond liabilities		64a	
	b Mortgages and other notes payable		64b	
	65 Other liabilities (describe ► )		65	
66 <b>Total liabilities</b> (add lines 60 through 65)	18,527.	66	28,543.	
<b>Net Assets or Fund Balances</b>	Organizations that follow SFAS 117, check here ► <input type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74			
	67 Unrestricted		67	
	68 Temporarily restricted		68	
	69 Permanently restricted		69	
	Organizations that do not follow SFAS 117, check here ► <input checked="" type="checkbox"/> and complete lines 70 through 74			
	70 Capital stock, trust principal, or current funds	82,982.	70	125,005.
	71 Paid-in or capital surplus, or land, building, and equipment fund	0.	71	0.
	72 Retained earnings, endowment, accumulated income, or other funds	0.	72	0.
73 <b>Total net assets or fund balances</b> (add lines 67 through 69 or lines 70 through 72, column (A) must equal line 19, column (B) must equal line 21)	82,982.	73	125,005.	
74 <b>Total liabilities and net assets / fund balances</b> (add lines 66 and 73)	101,509.	74	153,548.	

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III the organization's programs and accomplishments.

<b>Part IV-B</b>	<b>Reconciliation of Expenses per Audited Financial Statements with Expenses per Return</b>
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<b>a</b> Total revenue, gains, and other support per audited financial statements	<b>a</b> 576,509.	<b>a</b> Total expenses and losses per audited financial statements	<b>a</b> 534,486.
<b>b</b> Amounts included on line <b>a</b> but not on line 12, Form 990		<b>b</b> Amounts included on line <b>a</b> but not on line 17, Form 990	
<b>(1)</b> Net unrealized gains on investments \$ _____		<b>(1)</b> Donated services and use of facilities \$ 42,138.	
<b>(2)</b> Donated services and use of facilities \$ 42,138.		<b>(2)</b> Prior year adjustments reported on line 20, Form 990 \$ _____	
<b>(3)</b> Recoveries of prior year grants \$ _____		<b>(3)</b> Losses reported on line 20, Form 990 \$ _____	
<b>(4)</b> Other (specify) \$ _____		<b>(4)</b> Other (specify) \$ _____	
Add amounts on lines <b>(1)</b> through <b>(4)</b>	<b>b</b> 42,138.	Add amounts on lines <b>(1)</b> through <b>(4)</b>	<b>b</b> 42,138.
<b>c</b> Line <b>a</b> minus line <b>b</b>	<b>c</b> 534,371.	<b>c</b> Line <b>a</b> minus line <b>b</b>	<b>c</b> 492,348.
<b>d</b> Amounts included on line 12, Form 990 but not on line <b>a</b>		<b>d</b> Amounts included on line 17, Form 990 but not on line <b>a</b>	
<b>(1)</b> Investment expenses not included on line 6b, Form 990 \$ _____		<b>(1)</b> Investment expenses not included on line 6b, Form 990 \$ _____	
<b>(2)</b> Other (specify) \$ _____		<b>(2)</b> Other (specify) \$ _____	
Add amounts on lines <b>(1)</b> and <b>(2)</b>	<b>d</b> 0.	Add amounts on lines <b>(1)</b> and <b>(2)</b>	<b>d</b> 0.
<b>e</b> Total revenue per line 12, Form 990 (line <b>c</b> plus line <b>d</b> )	<b>e</b> 534,371.	<b>e</b> Total expenses per line 17, Form 990 (line <b>c</b> plus line <b>d</b> )	<b>e</b> 492,348.

<b>Part V</b>	<b>List of Officers, Directors, Trustees, and Key Employees</b> (List each one even if not compensated )
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(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (If not paid, enter -0-)	(D) Contributions to employee benefit plans & deferred compensation	(E) Expense account and other allowances
WILLIAM H. SLATTERY 8 FORDAL RD. BRONXVILLE, NY 10708	PRESIDENT 40 HRS/WEEK	71,849.	18,224.	0.
MARTIN S. KAUFMAN 322 HEATHCOTE ROAD SCARSDALE, NY 10583	SR VP & GENERAL COUNSEL 40 HRS/WEEK	108,423.	20,961.	0.
ROSEMARY L. WEBBER 2401 ASPEN WAY HARRISBURG, PA 17110	VP-ADMIN./ASST. SECY/TREAS 40 HRS/WEEK	23,423.	7,243.	0.
BRISCOE R. SMITH 8 OAK BEND BRONXVILLE, NY 10708	SR. V-P & COUNSEL 40 HRS/WEEK	44,336.	20,121.	0.
SEE STATEMENT 5, LISTING OF DIRECTORS SEE ATTACHED SEE ATTACHED	DIRECTORS 0.	0.	0.	0.

75 Did any officer, director, trustee, or key employee receive aggregate compensation of more than \$100,000 from your organization and all related organizations of which more than \$10,000 was provided by the related organizations? If "Yes" attach schedule ☐ Yes ☒ No

Form 990 (2002)

## Part VI Other Information

Yes	No
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76	Did the organization engage in any activity previously reported to the IRS? If "Yes," attach a detailed description of each activity			X
77	Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes			X
78 a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	N/A		X
b	If "Yes," has it filed a tax return on Form 990-T for this year?	N/A		
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement			X
80 a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?			X
b	If "Yes," enter the name of the organization _____ and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt			
81 a	Enter direct or indirect political expenditures See line 81 instructions	81a	0.	
b	Did the organization file Form 1120-POL for this year?			X
82 a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?			X
b	If "Yes," you may indicate the value of these items here Do not include this amount as revenue in Part I or as an expense in Part II (See instructions in Part III)	82b	42,138.	
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?			X
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?			X
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?			X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?			
85	501(c)(4), (5), or (6) organizations a Were substantially all dues nondeductible by members?			
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year			
c	Dues, assessments, and similar amounts from members	85c	N/A	
d	Section 162(e) lobbying and political expenditures	85d	N/A	
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e	N/A	
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f	N/A	
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?		N/A	
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?		N/A	
86	501(c)(7) organizations Enter a Initiation fees and capital contributions included on line 12	86a	N/A	
b	Gross receipts, included on line 12, for public use of club facilities	86b	N/A	
87	501(c)(12) organizations Enter a Gross income from members or shareholders	87a	N/A	
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	87b	N/A	
88	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX			X
89 a	501(c)(3) organizations Enter Amount of tax imposed on the organization during the year under section 4911 <u>0.</u> , section 4912 <u>0.</u> , section 4955 <u>0.</u>			
b	501(c)(3) and 501(c)(4) organizations Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction			
c	Enter Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958			
d	Enter Amount of tax on line 89c, above, reimbursed by the organization			
90 a	List the states with which a copy of this return is filed PA, NY, MD, WV, NJ			
b	Number of employees employed in the pay period that includes March 12, 2002	90b		
91	The books are in care of ROSEMARY L. WEBBER Telephone no 717-671-1361			

Located at ► 2401 ASPEN WAY, HARRISBURG, PA

ZIP + 4 ► 17110

**92** Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041- Check here ☐ and enter the amount of tax-exempt interest received or accrued during the tax year

92

N/A

**Part VII Analysis of Income-Producing Activities** (See page 31 of the instructions.)

Note Enter gross amounts unless otherwise indicated

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclu- sion code	(D) Amount	
93 Program service revenue					
a					
b					
c					
d					
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments			14	453.	
96 Dividends and interest from securities					
97 Net rental income or (loss) from real estate					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events					56,560.
102 Gross profit or (loss) from sales of inventory					
103 Other revenue					
a					
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		0.		453.	56,560.
105 Total (add line 104, columns (B), (D), and (E))					57,013.

Note Line 105 plus line 1d, Part I, should equal the amount on line 12, Part I

**Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes** (See page 32 of the instructions.)

Line No Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes)

101 ANNUAL DINNER SPECIAL EVENT

**Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities** (See page 32 of the instructions.)

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
N/A	%			
	%			
	%			
	%			

**Part X Information Regarding Transfers Associated with Personal Benefit Contracts** (See page 33 of the instructions.)

(a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?

☐ Yes ☒ No

(b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?

☐ Yes ☒ No

Note If "Yes" to (b), file Form 8870 and Form 4720 (see instructions)

Please Sign Here Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature of officer: William H. Slattery Date: 5/14/03 Type or print name and title: WILLIAM H. SLATTERY, PRESIDENT

Paid Preparer's Use Only Preparer's signature: Well A. [Signature] Date: 5/13/03 Check if self-employed: ☐ Preparer's SSN or PTIN: 222 46 296

Firm's name (or yours if self-employed): SIEGFRIED & SCHIEFFER, LLP EIN:

Address and ZIP + 4: 1201 MARKET STREET, SUITE 700  
WILMINGTON, DE 19801 Phone no: (302) 984-1800

**SCHEDULE A**  
**(Form 990 or 990-EZ)**

Department of the Treasury  
Internal Revenue Service

**Organization Exempt Under Section 501(c)(3)**

(Except Private Foundation) and Section 501(e), 501(f), 501(k),  
501(n), or Section 4947(a)(1) Nonexempt Charitable Trust

**Supplementary Information-(See separate instructions.)**

► **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ**

OMB No 1545-0047

**2002**

Name of the organization

ATLANTIC LEGAL FOUNDATION

Employer identification number

23 2022920

**Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees**

(See page 1 of the instructions. List each one. If there are none, enter "None.")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
NONE				
Total number of other employees paid over \$50,000	0			

**Part II Compensation of the Five Highest Paid Independent Contractors for Professional Services**

(See page 2 of the instructions. List each one (whether individuals or firms). If there are none, enter "None.")

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		
Total number of others receiving over \$50,000 for professional services	0	

**Part III** Statements About Activities (See page 2 of the instructions)

	Yes	No
1 During the year, has the organization attempted to influence national, state, or local legislation including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities <b>\$</b> _____ <b>\$</b> _____ (Must equal amounts on line 38, Part VI-A, or line 1 of Part VI-B) Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes," must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.	1	X
2 During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions.)		
a Sale, exchange, or leasing of property?	2a	X
b Lending of money or other extension of credit?	2b	X
c Furnishing of goods, services, or facilities?	2c	X
d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? SEE PART V, FORM 990	2d	X
e Transfer of any part of its income or assets?	2e	X
3 Does the organization make grants for scholarships, fellowships, student loans, etc.? (See Note below.)	3	X
4 Do you have a section 403(b) annuity plan for your employees?	4	X

**Note.** Attach a statement to explain how the organization determines that individuals or organizations receiving grants or loans from it in furtherance of its charitable programs "qualify" to receive payments.

**Part IV** Reason for Non-Private Foundation Status (See pages 3 through 5 of the instructions)

The organization is not a private foundation because it is: (Please check only ONE applicable box.)

- 5 ☐ A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i).
- 6 ☐ A school. Section 170(b)(1)(A)(ii). (Also complete Part V.)
- 7 ☐ A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).
- 8 ☐ A Federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).
- 9 ☐ A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state: \_\_\_\_\_
- 10 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete the **Support Schedule** in Part IV-A.)
- 11a ☒ An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 11b ☐ A community trust. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 12 ☐ An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Also complete the **Support Schedule** in Part IV-A.)
- 13 ☐ An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in (1) lines 5 through 12 above, or (2) section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2). (See section 509(a)(3).)

Provide the following information about the supported organizations. (See page 5 of the instructions.)

(a) Name(s) of supported organization(s)	(b) Line number from above

- 14 ☐ An organization organized and operated to test for public safety. Section 509(a)(4). (See page 5 of the instructions.)



**Part IV-A Support Schedule** (Complete only if you checked a box on line 10, 11, or 12.) Use cash method of accounting.  
Note. You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

Calendar year (or fiscal year beginning in)	(a) 2001	(b) 2000	(c) 1999	(d) 1998	(e) Total				
<b>15</b> Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	454,853.	442,047.	430,845.	526,020.	1,853,765.				
<b>16</b> Membership fees received									
<b>17</b> Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose									
<b>18</b> Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	959.	4,333.	2,313.	412.	8,017.				
<b>19</b> Net income from unrelated business activities not included in line 18									
<b>20</b> Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf									
<b>21</b> The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge.									
<b>22</b> Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets.			SEE STATEMENT 3 231,000.		231,000.				
<b>23</b> Total of lines 15 through 22	455,812.	446,380.	664,158.	526,432.	2,092,782.				
<b>24</b> Line 23 minus line 17	455,812.	446,380.	664,158.	526,432.	2,092,782.				
<b>25</b> Enter 1% of line 23	4,558.	4,464.	6,642.	5,264.					
<b>26</b> Organizations described on lines 10 or 11	a Enter 2% of amount in column (e), line 24				<b>26a</b> 41,856.				
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 1998 through 2001 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the sum of all these excess amounts.					<b>26b</b> 1,044,136.				
c Total support for section 509(a)(1) test. Enter line 24, column (e).					<b>26c</b> 2,092,782.				
d Add Amounts from column (e) for lines					<b>26d</b> 1,283,153.				
18 8,017. 19					<b>26e</b> 809,629.				
22 231,000. 26b 1,044,136.					<b>26f</b> 38.6867%				
e Public support (line 26c minus line 26d total)									
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))									
<b>27</b> Organizations described on line 12	a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." Do not file this list with your return. Enter the sum of such amounts for each year.				N/A				
(2001) (2000) (1999) (1998)									
b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year.					N/A				
(2001) (2000) (1999) (1998)									
c Add Amounts from column (e) for lines					<b>27c</b> N/A				
15 17 20 21					<b>27d</b> N/A				
d Add Line 27a total and line 27b total					<b>27e</b> N/A				
e Public support (line 27c total minus line 27d total)									
f Total support for section 509(a)(2) test. Enter amount on line 23, column (e).					<b>27f</b> N/A				
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					<b>27g</b> N/A %				
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					<b>27h</b> N/A %				
<b>28</b> Unusual Grants. For an organization described in line 10, 11, or 12 that received any unusual grants during 1998 through 2001, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.	NONE								

**Part V Private School Questionnaire** (See page 7 of the instructions)

N/A

(To be completed ONLY by schools that checked the box on line 6 in Part IV)

	Yes	No
<b>29</b> Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?		
<b>30</b> Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?		
<b>31</b> Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe. If "No," please explain. (If you need more space, attach a separate statement.)		
<hr/>		
<hr/>		
<b>32</b> Does the organization maintain the following:		
<b>a</b> Records indicating the racial composition of the student body, faculty, and administrative staff?	<b>32a</b>	
<b>b</b> Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	<b>32b</b>	
<b>c</b> Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	<b>32c</b>	
<b>d</b> Copies of all material used by the organization or on its behalf to solicit contributions? If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement.)	<b>32d</b>	
<hr/>		
<b>33</b> Does the organization discriminate by race in any way with respect to:		
<b>a</b> Students' rights or privileges?	<b>33a</b>	
<b>b</b> Admissions policies?	<b>33b</b>	
<b>c</b> Employment of faculty or administrative staff?	<b>33c</b>	
<b>d</b> Scholarships or other financial assistance?	<b>33d</b>	
<b>e</b> Educational policies?	<b>33e</b>	
<b>f</b> Use of facilities?	<b>33f</b>	
<b>g</b> Athletic programs?	<b>33g</b>	
<b>h</b> Other extracurricular activities? If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.)	<b>33h</b>	
<hr/>		
<hr/>		
<b>34 a</b> Does the organization receive any financial aid or assistance from a governmental agency?	<b>34a</b>	
<b>b</b> Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" to either 34a or b, please explain using an attached statement.	<b>34b</b>	
<b>35</b> Does the organization certify that it has complied with the applicable requirements of sections 4 01 through 4 05 of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If "No," attach an explanation.	<b>35</b>	

Schedule A (Form 990 or 990-EZ) 2002

**Part VI-A Lobbying Expenditures by Electing Public Charities** (See page 9 of the instructions)

N/A

(To be completed ONLY by an eligible organization that filed Form 5768)

Check ☒ a ☐ if the organization belongs to an affiliated group Check ☐ b ☐ if you checked "a" and "limited control" provisions apply**Limits on Lobbying Expenditures**

(The term "expenditures" means amounts paid or incurred)

- 36 Total lobbying expenditures to influence public opinion (grassroots lobbying)
- 37 Total lobbying expenditures to influence a legislative body (direct lobbying)
- 38 Total lobbying expenditures (add lines 36 and 37)
- 39 Other exempt purpose expenditures
- 40 Total exempt purpose expenditures (add lines 38 and 39)
- 41 Lobbying nontaxable amount. Enter the amount from the following table -
- |  |   |
|--|---|
| If the amount on line 40 is -              | The lobbying nontaxable amount is -               |
| Not over \$500,000                         | 20% of the amount on line 40                      |
| Over \$500,000 but not over \$1,000,000    | \$100,000 plus 15% of the excess over \$500,000   |
| Over \$1,000,000 but not over \$1,500,000  | \$175,000 plus 10% of the excess over \$1,000,000 |
| Over \$1,500,000 but not over \$17,000,000 | \$225,000 plus 5% of the excess over \$1,500,000  |
| Over \$17,000,000                          | \$1,000,000                                       |
- 42 Grassroots nontaxable amount (enter 25% of line 41)
- 43 Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36
- 44 Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38

		(a) Affiliated group totals	(b) To be completed for ALL electing organizations
		N/A	
36			
37			
38			
39			
40			
41			
42			
43			
44			

**Caution** If there is an amount on either line 43 or line 44, you must file Form 4720**4-Year Averaging Period Under Section 501(h)**

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 45 through 50 on page 11 of the instructions.)

Calendar year (or fiscal year beginning in)	Lobbying Expenditures During 4-Year Averaging Period				N/A
	(a) 2002	(b) 2001	(c) 2000	(d) 1999	(e) Total
45 Lobbying nontaxable amount					0.
46 Lobbying ceiling amount (150% of line 45(e))					0.
47 Total lobbying expenditures					0.
48 Grassroots nontaxable amount					0.
49 Grassroots ceiling amount (150% of line 48(e))					0.
50 Grassroots lobbying expenditures					0.

**Part VI-B Lobbying Activity by Nonelecting Public Charities**

(For reporting only by organizations that did not complete Part VI-A) (See page 11 of the instructions)

N/A

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum through the use of

- a Volunteers
- b Paid staff or management (Include compensation in expenses reported on lines c through h)
- c Media advertisements
- d Mailings to members, legislators, or the public
- e Publications, or published or broadcast statements
- f Grants to other organizations for lobbying purposes
- g Direct contact with legislators, their staffs, government officials, or a legislative body
- h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means
- i Total lobbying expenditures (Add lines c through h)

If "Yes" to any of the above, also attach a statement giving a detailed description of the lobbying activities

Yes	No	Amount
		0.



## 2002 DEPRECIATION AND AMORTIZATION REPORT

FORM 990 PAGE 2

990

Asset No	Description	Date Acquired	Method	Life	Line No	Unadjusted Cost Or Basis	Bus % Excl	Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Amount Of Depreciation
1	MANAGEMENT AND GENERAL OFFICE FURNITURE AND FIXTURES		SL	5.00	16	14,655.			14,655.	14,655.		0.
2	OFFICE FURNITURE AND FIXTURES		SL	5.00	16	24,605.			24,605.	24,605.		0.
3	COMPUTER - COMPUDYNE P100	12/31/96	SL	5.00	16	1,380.			1,380.	1,380.		0.
4	H P LASER JET	06/21/98	SL	5.00	16	1,150.			1,150.	860.		290.
5	OFFICE FURNITURE AND EQUIPMENT	06/15/00	SL	5.00	16	3,767.			3,767.	1,197.		969.
	* 990 PAGE 2 TOTAL											
	MANAGEMENT AND GENERAL					45,557.		0.	45,557.	42,697.	0.	1,259.
	* GRAND TOTAL 990 PAGE 2 DEPR					45,557.		0.	45,557.	42,697.	0.	1,259.

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FORM 990	SPECIAL EVENTS AND ACTIVITIES	STATEMENT	1
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DESCRIPTION OF EVENT	GROSS RECEIPTS	CONTRIBUT. INCLUDED	GROSS REVENUE	DIRECT EXPENSES	NET INCOME
FUNDRAISING DINNER	101,000.		101,000.	44,440.	56,560.
TO FM 990, PART I, LINE 9	101,000.		101,000.	44,440.	56,560.

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FORM 990	DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT	STATEMENT	2
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DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE
OFFICE FURNITURE AND FIXTURES	14,655.	14,655.	0.
OFFICE FURNITURE AND FIXTURES	24,605.	24,605.	0.
COMPUTER - COMPU DYNE P100	1,380.	1,380.	0.
H P LASER JET	1,150.	1,150.	0.
OFFICE FURNITURE AND EQUIPMENT	3,767.	2,166.	1,601.
TOTAL TO FORM 990, PART IV, LN 57	45,557.	43,956.	1,601.

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SCHEDULE A	OTHER INCOME	STATEMENT	3
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DESCRIPTION	2001 AMOUNT	2000 AMOUNT	1999 AMOUNT	1998 AMOUNT
ATTNY FEES NORTH SHORE CONCRETE CASE	0.	0.	231,000.	0.
TOTAL TO SCHEDULE A, LINE 22	0.	0.	231,000.	0.

**Atlantic Legal Foundation  
150 East 42<sup>nd</sup> Street  
New York, NY 10017**

**EIN # 23-2022920**

**Activities in 2002**

***Barklee Realty v. Pataki***

ALF filed an *amicus* brief in support of Barklee Realty, a small residential property owner in New York City. ALF's clients were several large real estate trade associations comprised of 50,000 property owners, including a group comprised of small, largely minority urban property owners. Barklee Realty brought suit in New York State Supreme Court, seeking to invalidate the provision of the New York Limited Liability Law which requires LLCs to publish six consecutive weeks of notices of their formation in two newspapers, failing which the LLC loses its right to "maintain" lawsuits. The cost of publication can be substantial - approximately \$1,600. Supreme Court, New York County granted summary judgment in favor of Barklee, holding that the publication requirement violated Barklee's Fifth and Fourteenth Amendment due process rights and analogous rights under the New York Constitution, the court held that there was no valid state interest served by the publication requirement, which does not apply to other forms of business entity.

The case is *sub judice*.

ALF's participation in this case was in the public interest because the publication requirement is burdensome for property owners, creates unnecessary impediments to the formation of small businesses, serves no public purpose and only benefits publishers of newspapers.

***Beharry v. Reno***

Working with the Pacific Legal Foundation, ALF filed an *amicus* brief in support of the United States in this appeal to the Second Circuit Court of Appeals. Donald Beharry was a convicted felon (for burglary or robbery) who held a green card. Pursuant to statute, the Immigration and Naturalization Service ordered him deported. Beharry sought a "hardship exemption" because his daughter, now 8 years old, was born in the U.S. and thus is a citizen. The exemption was denied on the grounds that Beharry's claim does not fall within any of the statutory exemption categories because he was convicted of a "serious crime." Beharry petitioned for a writ of habeas corpus in the U.S. District Court for the Eastern District of New York. Judge Jack Weinstein, acknowledging that the U.S. statutes do not provide for an exemption in this case, and acknowledging that he was making new law, decided that "customary international humanitarian law," including treaties and conventions to which the U.S. is not a party, or which have not been ratified, "overrides" U.S.

statutory law, and that “in the interests of the child,” Beharry should be permitted to stay, granted the petition

This case exemplifies the use of non-consensual international law to override U S law

In deciding the case, now entitled *Beharry v Ashcroft*, in May 2003, the Second Circuit Court of Appeals reversed the district court’s decision and dismissed the petition, but largely sidestepped the crucial issue briefed by ALF and PLF But, the court did observe that,

“Nothing in our decision to reverse on other grounds the judgment of the district court should be seen as an endorsement of the district court’s holding that interpretation of the INA [the Immigration and Naturalization Act] in this case is influenced or controlled by international law”

ALF participated in this case because it was an egregious example of judge-made law in that the judicial use of “customary international law” to override the clear language and intent of a federal statute violates the constitutional doctrine of separation of powers, both because it infringes upon legislative prerogatives and because it infringes the exclusive foreign affairs power, which the Constitution assigns to the executive and legislative branches

### ***Charter Schools***

The Foundation is counseling a charter school in the Bedford-Stuyvesant inner city neighborhood of New York in an effort to improve its administrative and management functions, so as to prevent it from being closed for financial irregularities We continue to offer counsel to other charter schools in New York and New Jersey to enable them to offer effective alternatives to failing public schools

ALF represented the New York Charter Schools Association as *amicus curiae* in an appeal testing the application of certain provisions of the General Municipal Law and Labor Law to charter school construction The court affirmed the dismissal of the complaint on narrow grounds, avoiding the substantive arguments ALF and the charter school advanced

The Red Bank [NJ] Board of Education, with a teachers union and others as friends of the court, is opposing the renewal of a successful school’s charter because there are fewer white children in the district school than allegedly there otherwise would be, creating an unlawful “segregative effect ” The evidence shows that the white children attending the charter school came not from district schools but from private, parochial and home schools As 2002 closed, ALF anticipated representing in an *amicus* capacity one or more organizations which want the charter school movement to



succeed

The charter schools efforts are in the public interest because charter schools provide an innovative alternative to "traditional" public schools, and usually result in superior educational outcomes for students

***Cole, as Trustee v. County of Santa Barbara***

ALF filed an *amicus* brief in support of a petition for *certiorari* to the U S Supreme Court in this "takings" case. The case involves the "grant" of an option for an easement to the California Coastal Commission by the then owner of beachfront property in exchange for permission to build an addition to her home. Subsequently, the Supreme Court in *Nollan v California Coastal Commission* held such easements, if not reasonably related to the permit sought, were unconstitutional takings. In this case, the "option" remained dormant for many years and devolved to the County. Many years after the option was granted, and shortly before it was to expire, the Coastal Commission prevailed upon many counties, including Santa Barbara, to exercise the option. By then, the property had been transferred to The Stanford Farms Trust, which promptly brought suit in state court to have the option declared invalid on *Nollan* grounds. The California Court of Appeal held that the suit challenging the option was time barred, the Trust argued that the time did not start running until the County sought to exercise the option, because that is when the taking occurred, the California Supreme Court denied the petition for review.

The American Association of Small Property Owners and some of its local affiliates were our clients.

*Certiorari* was denied.

ALF's participation in this case was in the public interest because private ownership and use of property is a fundamental constitutional right.

***Court Restructuring***

ALF has undertaken a critical examination of the proposal by the Chief Judge of the New York Court of Appeals to restructure and consolidate New York's byzantine trial courts. The Office of Court Administration and the Chief Judge urge that the proposal will reduce or eliminate procedural confusion - - for example, currently litigants must resort to different courts to obtain full relief in domestic relations matters arising from the same facts - - and that the proposal will result in significant savings. Reports, studies and speeches addressing New York's needlessly complicated trial court structure over the past twenty-five years have argued that New York's antiquated trial court structure needs to be altered in a major way. Legislation proposed by the Chief Judge has been endorsed by a host of bar associations and civic groups, but is opposed by the New York State Supreme Court Justices' Association.

This project is in the public interest because it affects public access to, and perception of, the judicial system. ALF will bring an objective voice to the public debate about a vital issue that affects the public directly (if they are litigants or other users of judicial services), and indirectly (as taxpayers).

***Gratz and Grutter v. Bollinger***

ALF filed an *amicus* brief on behalf of the Reason Foundation of Los Angeles in support of plaintiffs in this United States Supreme Court case. Our brief provided statistics and other data showing that minority students admitted pursuant to "diversity" preferences have a significantly lower graduation rate, and significantly higher drop-out rate, than non-minority students, especially at public colleges and universities, and at Michigan itself, and that this could reinforce negative racial stereotypes, a concern expressed by Justice Powell in *Bakke v. Regents of the University of California*. The case is *sub judice*.

ALF's participation in this case was in the public interest because the issue of racial, ethnic and gender preferences in college and university admissions, and in other areas such as public employment and awarding of public contracts, remains a divisive issue. Preferences can also affect the quality of education, the efficiency of public services, and can exacerbate societal tensions.

***Hansen v. United States***

A corporation's plant in Georgia generated contaminated hazardous waste, wastewater and other pollutants that were subject to various environmental and safety requirements. The corporation's parent company filed a petition for bankruptcy, the bankruptcy proceedings severely restricted the funds available for maintenance and repair and environmental compliance. In 1993 and 1994, the plant exceeded its permit limits for the discharge of pollutants, these discharges were reported to the Georgia state environmental authorities. Following the closure of the plant in 1994, Georgia turned the plant over to the U.S. EPA. EPA listed the facility as a Superfund site and commenced a cleanup, which is ongoing.

The federal government criminally prosecuted some individuals who had been employed by the company for violations of United States environmental statutes. One of the defendants, Randall Hansen, the son of the founder of the company who had no direct operational responsibility for the Georgia plant was nevertheless charged and convicted, as were his father and the manager of the plant. The trial court sentenced Randall Hansen to 46 months of incarceration and a fine of \$20,000, the other defendants also received multi-year sentences.

The Eleventh Circuit affirmed the convictions and denial of post-trial relief from the judgment, relying on the doctrine of "public welfare offense," which eliminated the prosecution's burden of proving intent as a basis for finding liability under criminal statutes.

ALF believed that the Eleventh Circuit dangerously broadened the scope of liability in the

environmental criminal arena - - despite the heavy penalties that may result from conviction The decision is symptomatic of the improper reduction of the Government's burden of proof through the elimination of the *mens rea* requirement that the Supreme Court has determined in other cases violates the Fifth Amendment right to due process

ALF filed an *amicus* brief on behalf of the National Association of Criminal Defense Lawyers, a preeminent criminal law bar organization, in support of Randall Hansen's petition for *certiorari*, addressing the issue of the erosion of the *mens rea* requirement by the expansion of the concept of "public welfare offense" Unfortunately, the Supreme Court denied *certiorari*

ALF's participation in this case was in the public interest, because the elimination of the prosecution's burden of proving intent jeopardizes civil liberties for all citizens, because it can impose "strict" criminal liability for unintentional acts, which are normally treated in the civil law system, not the criminal law system

#### ***In re Hanford Nuclear Reservation Litigation***

In August, 2002, ALF filed an *amicus* brief on behalf of 16 prominent scientists, including two Nobel laureates, in this case, pending in the Ninth Circuit, in support of defendants' petition for rehearing in two consolidated cases that arise out of claims of residents of the State of Washington who live downwind of the Hanford Nuclear Reservation, which processed enriched uranium for nuclear weapons The plaintiffs claim that they suffer from a variety of diseases, most prominently and commonly thyroid cancer, because of their exposure to radiation from the Hanford facility The defendants are private contractors who operated the plant under contract to the Atomic Energy Commission and later the U S Department of Energy

The three-judge panel that heard the appeal itself emphasized that "These appeals raise fundamental questions concerning how courts should grapple with causation issues in mass tort cases" ALF urged that the consolidated appeals should be reheard to settle the issue of the correct legal standard for proving causation in radiation exposure cases and to resolve the inconsistency between the panel's opinions and the Circuit Court's decisions in *Daubert v Merrell Dow Pharm, Inc* , 43 F 3d 13111 (9<sup>th</sup> Cir 1995) ("*Daubert II*") and *Schudel v General Electric Co* , 120 F 3d 991 (9<sup>th</sup> Cir 1997) We argued that the three-judge panel misunderstood the essential role of epidemiology in establishing causation, and did not have available to it the most definitive study of populations exposed to radiation emissions from the Hanford facility which shows that the best epidemiologic methods available *do not* show an increased risk of thyroid disease among the population downwind of the Hanford facility

ALF's participation in this case was in the public interest because it is part of ALF's "sound science in the courts" project, which seeks to ensure that the proper scientific method is used in deciding cases

***In re San Jose IBM Workers Litigation***

In September 2002, ALF filed an "*amicus* letter" (an abbreviated brief in support of a petition for review by the California Supreme Court) on behalf of nine scientists with expertise in toxicology, epidemiology, public health, medical causation and risk analysis in this case, which arises out of claims by workers at an IBM chip and motherboard plant that their exposure to numerous chemicals caused a diverse assortment of medical conditions. The narrow issue was whether the California trial court erred in refusing to conduct a hearing as to the admissibility of plaintiffs' expert evidence, instead allowing all of the expert testimony to go to the jury.

ALF urged the California Supreme Court to grant review, to provide guidance to courts, litigants and others, to ensure that a uniform legal standard is applied, and that juries are not exposed to the undue influence of "experts" whose methods and theories are not accepted in the scientific community. We pointed out that the Court has previously recognized that "judicial caution" was necessary in deciding the admissibility of expert scientific testimony, and that it had recently reaffirmed the "austere standard" for admissibility, "general acceptance in the particular field" and had rejected the notion that traditional cross-examination and rebuttal of the "underlying scientific technique" on which contested expert testimony was based were adequate because it "might [merely] lessen the weight of the evidence but would not necessarily prevent its admissibility" finding those criteria preferable to simply submitting the matter to the trial court's discretion for decision in each case. We argued that it is essential that the court act as a gatekeeper to keep unreliable "science" evidence from the jury, and that as the California Supreme Court had noted in its most recent decision on the subject "The *Frye* rule ensures that judges and juries with little or no scientific background will not attempt to resolve technical questions on which not even experts can reach a consensus."

ALF's participation in this case was in the public interest because it is part of ALF's "sound science in the courts" project, which seeks to ensure that the proper scientific method is used in deciding cases.

***Mold/Sound Science Project***

ALF is pursuing an initiative which goes beyond its traditional "first chair" and *amicus* work and is directed at litigation involving the alleged harmful health effects of indoor mold. The dimensions of the mold/sound science initiative will depend on the level of funding ALF can secure.

During 2002, ALF developed a comprehensive website containing key medical and legal literature focusing on various issues which will dominate mold health related litigation. The site has links to other websites dealing with mold health claim issues. The public interest will be served if sound scientific analysis is brought to bear in resolving health claims alleged to have been caused by exposure to indoor mold.

***Navarro v. Missouri Pacific Railroad***

In August, 2001, ALF filed an *amicus* brief in support of the defendant-appellant, which was on appeal to an intermediate Texas state appellate court. ALF represented a group of distinguished scientists, and argued that the trial court erred in allowing the jury to hear the scientifically flawed testimony of plaintiff's experts. The Supreme Court of Texas, in *Merrell Dow Pharm, Inc v Havner*, 953 S W 2d 706 (Tex. 1997) adopted the *Daubert* principles of judicial scrutiny of expert testimony (some would argue that Texas has even more stringent criteria for admissibility).

Plaintiff claimed that his deceased wife, who worked for the railroad in a number of capacities, but primarily as a clerk, developed multiple myeloma from exposure to diesel fumes from locomotives. The trial court admitted the testimony of plaintiff's experts over the objection of the defendant railroad. The experts' testimony related to extent of Mrs. Navarro's exposure and a claimed association between diesel exhaust fumes and cancer. The jury returned a plaintiff's verdict of \$2 million.

ALF's brief argued that the foundation of the testimony of plaintiff's experts was a flawed and unreliable estimate of exposure which was based on very little data and no empirical measurement, and that there is little if any support in the scientific literature for an association between diesel fumes and multiple myeloma. Indeed the studies that are most on point specifically failed to find an association.

In 2002, the appellate court ruled in favor of the railroad in an opinion that closely tracked the arguments made in ALF's brief.

This case is in the public interest because it is part of ALF's "sound science in the courts" project, which seeks to ensure that the proper scientific method is used in deciding cases.

***Rogers Machinery v. City of Tigard***

Working with the New England Legal Foundation, ALF filed an *amicus* brief in support of a petition for *certiorari* to the U.S. Supreme Court. Rogers Machinery, whose business was increasing, had outgrown its office building. It applied to the City of Tigard, Oregon (a suburb of Portland) for a permit to build a new building on the same site as its current building. The city refused to issue the permit unless Rogers Machinery paid a \$37,000 "Traffic Impact Fee." Rogers refused, because although the size of the building will increase, the number of occupants will not, and there will in fact be no impact on traffic. In other words, the city's demand is arbitrary and capricious.

The City of Tigard is the same municipality which was the defendant in the landmark case *Dolan v. City of Tigard*, 512 U.S. 374 (1994), in which the Supreme Court held that a municipality could not impose conditions on the issuance of a permit that were not "roughly proportional" to the impact of the landowner's activity on the public.

The Oregon state courts ruled for the City of Tigard in this case, and petitioner sought *certiorari* review. There is a split among state appellate courts and among federal courts on the issue of the applicability of *Dolan* to fee charges.

The issue is in the public interest because if municipalities and other governmental units have unfettered discretion to exact fees of any amount for routine changes or improvements to property, the cost of development to landowners may become prohibitive

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Several cases discussed in detail in the Report of Activities for 2001 included in the Form 990 Return for 2001 were decided or continued to be active in 2002.

On behalf of the National Federation of Independent Business, ALF is challenging the EPA's lead reporting rule in federal district court in Washington, D.C. Discovery is nearly complete and dispositive motions are anticipated. (*NFIB v. Whitman*)

ALF's two reverse discrimination cases in New Jersey will soon be ready for dispositive motions (*Deegan et al. v. State of New Jersey* and *GEOD Corporation v. New Jersey Department of Transportation*)

In the United States Court of Appeals for the Ninth Circuit, ALF successfully challenged, on behalf of twenty prominent scientists (including Nobel Prize winners in Medicine, Physics and Chemistry), the adoption of a scientifically flawed standard for proving causation in radiation exposure cases. ALF's brief was cited by the court, and the unsuccessful plaintiffs attributed the appellate court's stunning reversal to our brief. (*Kennedy v. Southern California Edison*)

2002 saw the end of the *Adarand* (reverse discrimination in government contracting) saga, at least for now, as the Supreme Court dismissed, as improvidently granted, the petition for *certiorari* sought by plaintiff on appeal from the Tenth Circuit. ALF had filed a brief on the merits in the latest proceeding in the U.S. Supreme Court.

*Carillo v. Lockheed Martin* and *Castillo v. DuPont* remain *sub judice*. In *Alcan Aluminum v. U.S.*, the U.S. Court of Appeals for the Second Circuit affirmed the trial court, and denied rehearing. We understand that *Alcan* plans to file a petition for *certiorari*.

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